Division of Healthcare Finance Projected Reserve Calculation Medical, Pharmacy, Dental and Vision Projection as of April 2015

Plan Year	2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Factors and Assumptions	Projected	Actuals	Projected Factors and Assumptions						_				
Interest Rate on Reserves	1.0%	0.1%	0.3%	0.3%	0.5%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Admin/Contract Fee Trend	2.7%	0.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Kansas Healthcare cost trend rate	5.0%	7.5%	5.9%	5.9%	6.2%	6.0%	6.3%	6.2%	6.5%	6.5%	6.5%	6.5%	6.5%
	HCC Policy	HCC Policy	HCC Policy HCC Policy										
	Choices in	Choices in	Choices by	Choices by	Future	Policy Choices							
Policy Choices	May 2013	May 2013	Aug 2014	May 2015	ratare	Future Policy Choices							
Employer Contr. % incr. (eff. July 1)	-2.0%	-2.0%	-8.5%	16.5%	16.0%	6.0%	6.0%	6.0%	6.0%	5.0%	5.0%	5.0%	4.0%
Employee Contr. % incr. (eff. Jan 1)	-2.0%	-2.0%	0.0%	16.5%	16.0%	6.0%	6.0%	6.0%	6.0%	5.0%	5.0%	5.0%	4.0%
Dependent Contr. % incr. (eff. Jan 1)	-2.0%	-2.0%	0.0%	16.5%	16.0%	6.0%	6.0%	6.0%	6.0%	5.0%	5.0%	5.0%	4.0%
Direct Bill Contr. % incr. (eff Jan 1)	-2.0%	-2.0%	0.0%	16.5%	10.8%	6.0%	6.0%	6.0%	6.0%	5.0%	5.0%	5.0%	4.0%
Plan design changes % impact on expenses	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
rian doolgn ondinged /s impact on oxponeds	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Reserves													
Beginning reserve earning interest	12,043,877	12,043,877	194,666,301	135,537,612	74,556,449	52,743,257	56,837,238	64,218,254	75,566,569	89,557,227	102,096,938	109,847,558	111,963,341
Beginning reserve not earning interest	198,004,608	198,004,608	0	0	0	0	0	0	0	0	0	0	0
Beginning Total Reserve Balance	210,048,485	210,048,485	194,666,301	135,537,612	74,556,449	52,743,257	56,837,238	64,218,254	75,566,569	89,557,227	102,096,938	109,847,558	111,963,341
Projected Cash Flow													
Total Employer Contributions	359.891.449	363.183.109	350.439.075	365.794.588	425.166.513	470.360.139	498.581.747	528.496.652	560.206.451	590.936.222	620.483.034	651.507.185	680.745.556
Total Participant Contributions	125.090.707	118,499,577	108,571,500	118,720,766	127,351,023	135.368.424	143.912.117	152.919.252	162.514.874	171.412.725	180,778,107	190.636.223	199,543,025
Total Contributions	484,982,156	481,682,685	459,010,575	484,515,354	552,517,536	605,728,563	642,493,865	681,415,904	722,721,325	762,348,947	801,261,141	842,143,408	880,288,581
	, ,		, ,								, ,		, ,
Total Plan Expenses (Claims, ASO fees & contracted	1												
expenses)	482,651,064	497,077,244	518,625,930	545,835,360	574,703,511	602,030,156	635,539,128	670,549,227	709,297,416	750,480,915	794,276,249	840,851,481	890,361,494
Interest on Reserves	2,104,184	12,375	486,666	338,844	372,782	395,574	426,279	481,637	566,749	671,679	765,727	823,857	839,725
Net Cash flow	4,435,276	(15,382,184)	(59,128,689)	(60,981,163)	(21,813,193)	4,093,981	7,381,016	11,348,315	13,990,658	12,539,712	7,750,619	2,115,783	(9,233,188)
B : B B													
Projected Reserve Balance Reserve Ending Balance	214,483,761	194,666,301	135,537,612	74,556,449	52,743,256	56,837,238	64,218,254	75,566,569	89,557,227	102,096,939	109,847,557	111,963,341	102,730,153
G													
Target Reserve	53,136,639	54,724,865	56,747,277	59,515,301	62,416,529	66,049,755	70,085,021	74,304,036	78,984,133	83,963,947	89,262,824	94,901,364	100,901,504
IBNR Claim Reserve	30,655,754	31,572,037	32,758,747	34,356,656	36,031,461	38,128,829	40,458,285	42,893,813	45,595,514	48,470,232	51,529,138	54,784,123	58,247,850
Claim Fluctuation Reserve	22,480,886	23,152,827	23,988,530	25,158,644	26,385,068	27,920,926	29,626,737	31,410,222	33,388,619	35,493,714	37,733,686	40,117,241	42,653,654
Difference between the Reserve Ending Balance and		120 041 420	70 700 225	15 041 440	(9,673,272)	(0.242.540)	(E 000 700)	1 262 522	10 572 004	10 122 002	20,584,734	17 061 070	1 000 640
Target Reserve Ending Balance as a Percent of Claims	161,347,122 44.4%	139,941,436 39.2%	78,790,335 26.1%	15,041,148 13.7%	(9,673,272)	(9,212,518) 9.4%	(5,866,768) 10.1%	1,262,533 11.3%	10,573,094 12.6%	18,132,992 13.6%	20,584,734	17,061,976 13.3%	1,828,649 11.5%
					9.2% 13.0%								
Targeted Reserve Factor	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%